

**DIRECT TESTIMONY**  
**OF**

**Kevin Bodenhamer**

2009 JUN 10 P 1:34

CLERK OF THE COURT

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**Q. Please state your name and business address.**

A. My name is Kevin Bodenhamer and my business address is 2727 North Loop West,  
Houston, Texas 77008.

**Q. What is your position with Applicant?**

A. I am the Director of Operations – Western Region.

**Q. What is the purpose of your testimony?**

A. The purpose of my testimony is to demonstrate that Applicant satisfies the requirements  
of Section 15-401 of the Illinois Public Utility Act (“Act”), and to sponsor certain  
exhibits. I also offer this testimony in support of Applicant’s request for interim relief.

**Q. Is the Applicant properly authorized to conduct business?**

A. Yes, it is.

**Q. Has the Applicant properly filed an application for a certificate?**

A. Yes. The Applicant has satisfied the “properly filed application” criterion in the Act by  
filing with the Clerk’s Office the verified application that initiated this proceeding. That  
filing was made in accordance with both the Public Utilities Act and the Commission’s  
Rules of Practice and Procedure.

**Q. Explain why a public need for the pipeline system exists.**

26 A. "Public need" refers to the need by the public for the services that the Applicant proposes  
27 to offer. Here there is clearly a need for the Applicant's service. The products  
28 transported on Applicant's system are natural gas liquids, comprised of 11 % ethylene,  
29 80 % ethane-propane, and 9 % propane in 2003. For ethylene and EP mix the only  
30 commercially available transportation is by pipeline due to the required pressure  
31 necessary to keep the material in a liquid state for movement of these products. If the  
32 pipeline were not available, the destination processing facilities would be unable to  
33 receive feedstocks for processing into the chemicals and plastic products they produce.  
34 For propane, other modes of transportation are commonly available, including but not  
35 limited to, trucking, rail and waterborne facilities. The selected mode of transportation  
36 for propane depends principally on cost, and the economics favor pipelines. Without the  
37 services offered by the Applicant, it would be difficult and more costly for entities to  
38 transport natural gas liquids within the state.

39 **Q. What means are currently available to provide the market area with supply of the**  
40 **products being shipped on this pipeline system?**

41 A. Applicant's pipeline is the only pipeline that can provide the market area with ethylene,  
42 and there is only one other pipeline that can provide the market area with EP mix, albeit  
43 at a reduced flow rate. As mentioned above, for propane, other modes of transportation  
44 are commonly available, including but not limited to, trucking, rail and waterborne  
45 facilities.

46 **Q. Explain why the public convenience and necessity requires this pipeline system, as**  
47 **required by Section 15-401(b) of the Public Utilities Act.**

48 A. "Public convenience and necessity" refers to the utility to the public of the services that  
49 Applicants seeks authorization to offer. As I mentioned previously, the Applicant

50 transports a substantial amount of natural gas liquids within this State via its pipeline  
51 system. Without the Applicant's pipeline, shippers would have to locate an alternative  
52 means of moving their commodities, which would be both difficult and costly.

53 **Q. Explain whether the Applicant is "fit, willing, and able" as required by Section 15-**  
54 **401(b) of the Public Utilities Act.**

55 A. The Applicant believes that "fit, willing and able" refers to the Commission's traditional  
56 test of "managerial, technical and financial qualifications." Here, Applicant has  
57 demonstrated its qualifications through the information it has provided regarding its  
58 financial status, its experience in the pipeline industry generally, its experience offering  
59 these very services in Illinois, and its dedication to safety.

60 **Q. Explain how the Company plans on fulfilling the requirements of Section 15-601 of**  
61 **the Public Utilities Act during the operation of the pipeline system.**

62 A. Applicant is committed to high standards and practices of environmental stewardship,  
63 workplace health and safety for our employees, and the communities surrounding our  
64 operations. It is Applicant's policy to meet or exceed all applicable environmental,  
65 health and safety laws and regulations. The pipeline facilities subject to this request are  
66 operated and maintained in accordance with the Federal Department of Transportation  
67 regulations for the Transportation of Hazardous Liquids by Pipeline (49 CFR Part 195).  
68 Those regulations encompass standards and requirements addressing the design,  
69 construction, testing, operation and maintenance of the pipeline facilities as well as the  
70 training and qualification of the individuals who perform those tasks.

71 Applicant has established specific operating, maintenance, environmental and safety  
72 procedures that comply with those standards and requirements. Those procedures are  
73 revised and updated, at minimum on an annual basis.

74 **Q. Have there been any pipeline leaks or losses of structural integrity on the**  
75 **Applicant's pipeline system since 1994?**

76 A. There have been very few. There were two pipeline leaks on the Applicant's below-  
77 ground pipelines. Both of these leaks were caused by third party damage. There were no  
78 pipeline leaks or losses of structural integrity on the Applicant's above-ground pipeline  
79 system

80 **Q. Does the Applicant foresee using the proposed pipeline for any purpose other than**  
81 **delivering products that the Applicant indicated in its petition?**

82 A. No.

83 **Q. Please describe Schedule 1.**

84 A. Schedule 1, a true and correct copy of which is attached hereto, is a color coded map  
85 which shows existing and known proposed pipelines that provide similar product  
86 deliveries to Illinois and the other areas served by the Applicant's pipeline system.

87 **Q. Does this complete your direct testimony?**

88 A. Yes.